

Office Memorandum • UNITED STATES GOVERNMENT

TO : Legislative Counsel

DATE:

FROM : Director of Logistics

SUBJECT: Proposed Legislation, S. 2286

(Transportation Vehicles)

1. S.2286 proposes legislation which will change existing privileges of the Department of Defense military and civilian personnel as follows:

a. Military: Permit shipment of privately owned vehicles, belonging to military personnel, in American commercial vessels in addition to Military Sea Transport Service vessels, as is presently authorized.

b. Civilian: Authorize transportation, at government expense, of a privately owned automobile under the same policy which pertains to military personnel. At the present time, civilian personnel of the Department of Defense cannot, under any circumstances, have a privately owned automobile shipped to or from an overseas area at government expense.

2. Enactment of this proposed legislation will result in very little change in existing Agency policy, as Public Law 110 authorizes civilian employees of this Agency to transport privately owned automobiles at government expense on a permanent change of station to or from overseas areas. Moreover, detailed military personnel are authorized to make shipments under the provisions of the Joint Travel Regulations.

STATINTL

is recommended that no further action be taken on this matter.

JAMES A. GARRISON

STATINTL

SUBJECT: Proposed Legislation, S. 2296

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OL/TD/P&C [REDACTED] (30 Dec 55)

NOTICE OF PENDING LEGISLATION

DATE

LEGISLATIVE BILL NO.

S. 2286

SECTION I

GENERAL

TO :

FROM: LEGISLATIVE COUNSEL
OFFICE OF GENERAL COUNSEL

THE ATTACHED BILL, WHICH HAS BEEN INTRODUCED INTO CONGRESS, IS:

☐ SENT TO YOU FOR INFORMATION ONLY.☐ A BILL ON WHICH FAVORABLE CONGRESSIONAL ACTION ☐ IS ☐ IS NOT PREDICTED.☒ SENT FOR YOUR COMMENT AS TO WHETHER IT IS OF INTEREST TO CIA ACTIVITIES, AND WHETHER FURTHER ACTION BY THIS OFFICE IS NECESSARY OR DESIRED.

[IT IS REQUESTED THAT COMMENTS CONCERNING THIS LEGISLATION BE FORWARDED, THROUGH APPROPRIATE CHANNELS, TO THIS OFFICE, BY]

FOLD
HERE

SECTION II

COMMENTS (From Original Addressee)

TO : LEGISLATIVE COUNSEL
OFFICE OF GENERAL COUNSEL

FROM:

FOLD
HERE

21 June 1955

84/1

Mr. Magnuson of Washington

To amend the Merchant Marine Act of 1936 so as to provide for the utilization of privately owned shipping services in connection with the transportation of privately owned motor vehicles of certain personnel of the Department of Defense.

Distribution:

S. Report 1163

1 - Dir/Log



STATINTL

DATE OF COMMENTS

SIGNATURE AND TITLE

EXTENSION

Approved For Release 2002/01/10 : CIA-RDP59-00224A000200480001-1

Calendar No. 1175

84TH CONGRESS }
1st Session }

SENATE

{ REPORT
{ No. 1163

TRANSPORTATION OF PRIVATELY OWNED AUTOMOBILES OF DEFENSE PERSONNEL ON COMMERCIAL VESSELS

JULY 27, 1955.—Ordered to be printed

Mr. MAGNUSON, from the Committee on Interstate and Foreign
Commerce, submitted the following

R E P O R T

[To accompany S. 2286]

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (S. 2286) to amend the Merchant Marine Act of 1936 so as to provide for the utilization of privately owned shipping services in connection with the transportation of privately owned motor vehicles of certain personnel of the Department of Defense, having considered the same, report favorably thereon without amendment, and recommend that the bill do pass:

PURPOSE AND BACKGROUND OF THE BILL

S. 2286 would add a new subsection (a) to section 901 of the Merchant Marine Act of 1936, under which the Secretary of Defense may, by regulations, authorize the transportation overseas at Government expense on commercial vessels as well as on Government vessels of motor vehicles owned by personnel of the Armed Forces and by civilian employees of the Department of Defense, and of the Departments of the Army, the Navy, and the Air Force traveling on permanent duty orders. Such transportation may be authorized on commercial vessels if available at reasonable rates and conditions or on Government-owned vessels on a space-available basis. Only one vehicle per person may be so transported.

Transportation of private passenger automobiles for service personnel is one of the major sources of tonnage for Military Sea Transportation vessels. The MSTS Report for Fiscal 1954 shows a total of 71,667 such vessels transported—35,076 for Army personnel, 23,072 for Air Force, 12,867 for Navy, and 652 for Marine Corps personnel. Such transportation is authorized by congressional act of October 1949 (63 Stat. 1020; 10 U. S. C. 825). The law allows

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private automobiles, belonging to service personnel traveling under permanent change-of-duty orders, to be transported on Government-owned vessels. As interpreted by the Department of Defense, this is taken to mean that they can be transported on Government vessels only.

This has a double-barreled effect upon the competitive situation existing between MSTs and the privately owned shipping lines. It precludes shipment on commercial vessels of any of this vast number of automobiles, each 1 representing 15 measurement tons, or 1½ weight tons. Further, because these automobiles are of such low density, a vessel carrying a number of them must also take on a substantial amount of weight cargo in the lower hold, to assure stability.

Thus the restriction of transportation of such privately owned automobiles to Government-owned vessels requires MSTs to carry a great deal of both low density and other general cargoes that could otherwise be carried on privately owned vessels.

With so many automobiles to be transported, entire ships must be devoted to this traffic. Thus, in the absence of such authority as S. 2286 would provide, the MSTs fleet can be expected to continue at its present expanded size, thus penalizing the operations of both the Government-owned and privately owned merchant fleets.

The recorded cost of moving private automobiles on Government-owned vessels in fiscal 1954, according to the figures submitted to the Commission on Organization of the Executive Branch of the Government was \$18 million. As the Commission's report points out, however, this cost did not include many charges paid from other accounts, and these additional costs, paid by other divisions of the Government, would have brought the real cost close to \$27 million.

Moreover, the total transportation of private automobiles, the Commission report states, was equal to one-third the capacity of the total nucleus fleet dry cargo traffic between United States and foreign ports in fiscal 1954. Thus passage of S. 2286 would help materially to make possible the reduction of size of the Government's nucleus cargo fleet, which private operators and Hoover Commission reports advocate so strongly.

Transportation of privately owned automobiles in 1954 increased 15 percent over 1953. There undoubtedly is a direct connection between this trend and the increasing participation of the MSTs nucleus fleet in total outbound and inbound dry cargo movements.

The committee agrees with the Hoover Commission's first general conclusion, that there cannot be 2 American Merchant Marines, 1 military and 1 civilian, operating independently and at times in competition with each other.

In connection with the Senate hearing on MSTs operations the committee chairman was assured by the Defense witness that household goods of service personnel, which, like their automobiles, are shipped overseas at Government cost, may be shipped in privately owned vessels, when space in Government vessel is not available, or when the space which is available will not meet the needs of the requiring service. The committee sees no reason for distinguishing between the shipment of such household goods and of private automobiles.

The Department of Defense is in accord with the purpose of S. 2286, the Acting Judge Advocate General of the Navy reported, in a letter

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dated July 27, 1955. In that letter, the Department went on record as favoring broader coverage by the bill, to include civilian employees of other agencies, and suggested a new draft to this end, but it was felt that such broadened coverage would go beyond the proper scope of this committee's jurisdiction.

The letter cited is appended herewith, together with an official communication from the Comptroller General, dated July 11, 1955, relating to the matter.

DEPARTMENT OF THE NAVY,
OFFICE OF THE JUDGE ADVOCATE GENERAL,
Washington 25, D. C., July 27, 1955.

Hon. WARREN G. MAGNUSON,
*Chairman, Committee on Interstate and Foreign Commerce,
United States Senate, Washington 25, D. C.*

MY DEAR MR. CHAIRMAN: Your request for comment on the bill S. 2286, to amend the Merchant Marine Act of 1936 so as to provide for the utilization of privately owned shipping services in connection with the transportation of privately owned motor vehicles of certain personnel of the Department of Defense, has been assigned to this Department by the Secretary of Defense for the preparation of a report thereon expressing the views of the Department of Defense.

The purpose of this measure is to amend section 901 of the Merchant Marine Act of 1936 to authorize the shipment at Government expense, by either commercial or Government means, of one privately owned motor vehicle each for the personal use of members of the Armed Forces and civilian employees of the Department of Defense and the military departments on other than temporary duty orders. Inland transportation within the United States would be prohibited as well as transportation by land except as a part of an overseas move involving transportation by water when approved in advance.

The Department of Defense is in accord with the purpose of S. 2286. At the present time authority to ship privately owned motor vehicles belonging to military personnel at Government expense is limited to shipment on Government vessels. There is no authority to ship such vehicles in privately owned vessels and there is no authority to ship vehicles belonging to civilian employees at Government expense either in Government or privately owned vessels.

Many military personnel are stationed overseas at locations not served by Government vessels. Such personnel must personally pay the transportation if their automobiles are shipped commercially. Likewise, civilian personnel must pay the transportation costs if they are to have an automobile available for their use in the foreign area. In many overseas areas local transportation facilities are totally inadequate. Privately owned automobiles are necessary both for business and pleasure. In many instances the privately owned vehicle is used voluntarily in the performance of official duties. Legislation such as here proposed would remove the current discrimination against personnel who, for reasons beyond their control, must bear the expense of having their automobiles transported to their overseas duty stations.

For some time the Department of Defense has had under study a proposal relating to the transportation of privately owned motor vehicles for civilian and military personnel of the Department of Defense. That study was undertaken at the suggestion of the Bureau of the Budget. The proposal is similar in purpose to S. 2286. It differs in that it would cover civilian employees of other agencies (except Foreign Service personnel) of the Government as well as those of the Department of Defense. It also provides for the shipment of a second vehicle when specifically authorized. This provision is designed to cover the situation where the first vehicle is stolen or lost as a result of fire, flood, or other acts of God. S. 2286 would achieve its purpose by amending the Merchant Marine Act of 1936. The Department of Defense proposal would amend the Career Compensation Act of 1949 and the Administrative Expenses Act of 1946, the statutes which contain the authorization for the movement of other belongings of military personnel and of civilian employees of the Government, respectively.

While the purpose of S. 2286 is favored it is believed that the attached draft of legislation would better accomplish the desired result and more adequately meet the needs of the Department of Defense. Accordingly, it is recommended that the attached draft of bill be substituted for the text of S. 2286.

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It should be noted that the Commission on Organization of the Executive Branch of the Government in its report on transportation (H. Doc. No. 125, 84th Cong.) recommended:

"(a) That the use of automobiles for official duties in foreign countries be handled by a further use of regulated automobile pools provided by the Government where feasible, and that automobiles for personal use be rented from the pool at a reasonable rate."

The Department of Defense, along with other agencies of the Government, is studying this idea and would like to reserve the right to modify the report on this bill in the event the study so requires.

Subject to the foregoing comments and recommendations, the Department of the Navy, on behalf of the Department of Defense, would favor the enactment of S. 2286.

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

There has been insufficient time to obtain advice from the Bureau of the Budget as to the relationship of this report to the program of the President.

Sincerely yours,

S. B. D. WOOD,
Acting Judge Advocate General
(For the Secretary of the Navy).

A BILL To amend the Career Compensation Act of 1949, as amended, and the Administrative Expenses Act of 1946, as amended, to authorize the transportation of motor vehicles of personnel of the uniformed services and of Federal civilian employees, and for other purposes.

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That section 303 of the Career Compensation Act of 1949 (63 Stat. 813; 37 U. S. C. 253) is amended by adding the following subsection at the end thereof:

"(i) That notwithstanding any other provision of law, transportation of motor vehicles owned by personnel of the uniformed services, when ordered to make a change of permanent station, may be authorized at Government expense under regulations prescribed by the Secretary concerned, except that no inland transportation within the United States (the several States and the District of Columbia) shall be authorized. Such regulations may authorize the transportation by Government or commercial means. However, transportation other than by water (unless in an overseas area as a part of a move involving transportation by water) shall be authorized only upon the approval, in advance of such transportation, of the Secretary concerned or such person as he may designate: *Provided*, That unless otherwise authorized by the Secretary concerned, the transportation authorized herein shall be limited to one vehicle for the personal use of each member of the uniformed services."

SEC. 2. Section 1 of the Administrative Expenses Act of 1946, as amended (5 U. S. C. 73 b-1), is further amended by adding a new subsection reading as follows:

"(e) Under regulations prescribed by the head of a department or agency, the privately owned motor vehicle of an officer or employee may be transported to, from or between a post of duty outside the continental United States, and overseas stations, whenever it is determined to be in the interests of the United States for that officer or employee to have the use of that motor vehicle. However, transportation may be allowed only from a port of embarkation to a port of debarkation. Unless approved by the head of the department or agency concerned, not more than one motor vehicle may be transported under this subsection for any officer or employee during any four-year period. At any time after four years from the last date he has had a motor vehicle transported under this subsection, such officer or employee who has remained in continuous overseas service (inclusive of service under new agreements) since that date may have a replacement for that motor vehicle transported under this subsection."

SEC. 3. Section 7 of the Administrative Expenses Act of 1946, as amended (5 U. S. C. 73b-3), is further amended by adding an additional proviso reading as follows:

"*And provided further*, That appropriations shall be available, in accordance with regulations prescribed by the President and consistent with section 1 of this Act, for expenses of transportation of their privately owned motor vehicles."

SEC. 4. The following provisions of law are hereby repealed:

(a) Section 30, Act of August 2, 1946 (60 Stat. 857; 34 U. S. C. 898).

(b) Section 617, National Military Establishment Appropriation Act, 1950 (63 Stat. 1020; 10 U. S. C. 825).

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COMPTROLLER GENERAL OF THE UNITED STATES,
Washington 25, July 11, 1955.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce,
United States Senate.

DEAR MR. CHAIRMAN: Reference is made to your letter of June 22, 1955, requesting our comments concerning S. 2286.

The proposed legislation would authorize the ocean transportation, at Government expense, of motor vehicles owned by personnel of the Armed Forces and by civilian employees of the Department of Defense, on other than temporary duty orders, via (1) American commercial vessels at reasonable rates and conditions, or (2) Government-owned vessels on a space-available basis.

This legislation would alter the present conditions governing the ocean transportation of such vehicles in two respects:

1. Authorize the overseas shipment of vehicles owned by military personnel on commercial vessels, whereas such shipments are now restricted to Government-owned vessels; and

2. Authorize the overseas shipment, at Government expense, of vehicles owned by civilian employees of the Military Establishment, whereas these employees may now transport their vehicles overseas only at their own expense.

Most, if not all, vehicles in the above categories are transported by Military Sea Transportation Service (MSTS) which was created in 1949 to service the ocean transportation requirements of the military departments.

Existing legislation, which restricts the shipment of vehicles owned by military personnel to Government-owned ships, was enacted in 1946 for the Navy, Marine Corps, and Coast Guard, and in 1949 for the Army and Air Force. During those years the private vehicle movement was gradually increasing and in 1949 reached a total of close to 30,000 vehicles, based on data available to us. In fiscal year 1954 MSTS transported approximately 72,000 vehicles, and the movement for 1955 is estimated at about 85,000.

Private vehicles are low density and high cubic cargo and thus do not permit efficient stowage. Because of these characteristics and the large volume, the private-vehicle movement plays a dominant role in cargo planning by MSTS. The restriction of the movement of private vehicles to Government-owned vessels has the effect of minimizing the flexibility of MSTS in assigning balanced cargoes to Government-owned and commercial vessels. As a consequence, many Government-owned vessels have necessarily been devoted principally to the transportation of privately owned vehicles with attendant wasted cargo space, while more profitable cargoes have been booked to commercial shipping. The proposed legislation will afford MSTS a broader range of assignment for all its cargo transportation requirements and should contribute to more efficient utilization of cargo space on Government-owned vessels.

In the matter of relative costs it has not been practical to determine whether the proposed legislation will result in higher or lower costs to the Government. The difficulty lies in ascertaining the cost of shipment by Government-owned vessels. As we pointed out in our interim report to a special subcommittee of the House Merchant Marine and Fisheries Committee in July 1954, the costs recorded by MSTS do not include certain substantial cost elements such as military pay and allowances, vessel depreciation, Panama Canal tolls, and certain terminal and other services furnished by other agencies. In addition, the cost of moving a private vehicle will vary on each voyage depending upon the type of vessel, the diversification of cargo, and the cargo space utilized. Based on data which we developed in the course of a survey of MSTS which we made for the above-mentioned subcommittee in 1954, it appears that the cost of shipping vehicles by commercial vessels is somewhat more than the recorded costs of MSTS. However, as noted previously, the shipment of vehicles on commercial vessels should enable more efficient utilization of Government-owned vessels and of cargo space therein, with resulting economies in MSTS operations. Any attempt to be more precise about the cost relationships would, in our opinion, be speculative.

Extending to civilian personnel in the Defense Establishment the privilege of having their automobiles shipped overseas at Government expense is a matter of policy for determination by the Congress. We suggest, however, that your committee consider the probability that extension of this privilege to civilian personnel of the Defense Establishment will invite other departments to request the same privilege for their employees.

We appreciate your referral of this proposed legislation to us for comment, and shall be pleased to give you or your committee any assistance that we can on this subject.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bills, as reported are shown as follows (new matter is printed in italics, existing law in which no change is proposed is shown in roman):

MERCHANT MARINE ACT OF 1936

TITLE IX—MISCELLANEOUS PROVISIONS

Sec. 901. (a) Any officer or employee of the United States traveling on official business overseas or to or from any of the possessions of the United States shall travel and transport his personal effects on ships registered under the laws of the United States where such ships are available unless the necessity of his mission requires the use of a ship under a foreign flag: *Provided*, That the Comptroller General of the United States shall not credit any allowance for travel or shipping expenses incurred on a foreign ship in the absence of satisfactory proof of the necessity therefor.

(b) (1) *That notwithstanding any other provision of law, privately owned American shipping services may be utilized for the transportation at Government expense of motor vehicles owned by personnel of the Armed Forces and by civilian employees of the Department of Defense and of the Departments of the Army, the Navy, and the Air Force on other than temporary duty orders, except that nothing contained herein shall be construed to authorize the inland transportation of any motor vehicle within the United States. The Secretary of Defense may by regulations authorize such transportation by commercial means if available at reasonable rates and conditions or by Government means on a space-available basis, and shall limit such transportation to one vehicle for the personal use of each authorized person. Transportation other than by water (unless in an overseas area as a part of a move involving transportation by water) shall not be authorized except upon approval in advance of the Secretary of Defense or such other officials as he may designate.*

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Calendar No. 1175

84TH CONGRESS
1ST SESSION

S. 2286

[Report No. 1163]

IN THE SENATE OF THE UNITED STATES

JUNE 21 (legislative day, JUNE 20), 1955

Mr. MAGNUSON introduced the following bill; which was read twice and referred to the Committee on Interstate and Foreign Commerce

JULY 27, 1955

Reported by Mr. MAGNUSON, without amendment

A BILL

To amend the Merchant Marine Act of 1936 so as to provide for the utilization of privately owned shipping services in connection with the transportation of privately owned motor vehicles of certain personnel of the Department of Defense.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That section 901 of the Merchant Marine Act of 1936 is
4 amended by inserting "(a)" after "SEC. 901."; and (2)
5 adding at the end thereof a new subsection as follows:

6 " (b) (1) That notwithstanding any other provision of
7 law, privately owned American shipping services may be
8 utilized for the transportation at Government expense of
9 motor vehicles owned by personnel of the Armed Forces

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1 and by civilian employees of the Department of Defense
2 and of the Departments of the Army, the Navy, and the
3 Air Force on other than temporary duty orders, except that
4 nothing contained herein shall be construed to authorize
5 the inland transportation of any motor vehicle within the
6 United States. The Secretary of Defense may by regula-
7 tions authorize such transportation by commercial means if
8 available at reasonable rates and conditions or by Govern-
9 ment means on a space available basis, and shall limit such
10 transportation to one vehicle for the personal use of each
11 authorized person. Transportation other than by water
12 (unless in an overseas area as a part of a move involving
13 transportation by water) shall not be authorized except
14 upon approval in advance of the Secretary of Defense or
15 such other officials as he may designate."

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S. 2286

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To amend the Merchant Marine Act of 1936 so as to provide for the utilization of privately owned shipping services in connection with the transportation of privately owned motor vehicles of certain personnel of the Department of Defense.

By Mr. MAGNUSON

JUNE 21 (legislative day, JUNE 20), 1955

Read twice and referred to the Committee on
Interstate and Foreign Commerce

JULY 27, 1955

Reported without amendment